

Section 02. Innovative Management

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How to motivate people nowadays?

Today the biggest question of innovative management is ‘How to motivate people nowadays?’

Firstly, I want to tell about the experiment “Candle problem”, created by Karl Duncker. It consists of the next. The experimenter brings someone into the room, give a candle, a box with thumbtacks and matches. And this person must attach the candle to the wall in such way, so that the wax does not drip onto the table. And a lot of people do this task not right. Because they “doesn’t see” that they need to use box. They see, that this box can be used only for thumbtacks. And they can’t see another function of this thing. This is functional fixedness.

But after some time, 5-10 minutes, people in this room find the solution. They “open their mind”, don’t think about typical function of the box and try to use it like a platform for the candle. This is candle problem.

Secondly, I want to explain the first Glucksberg's experiment. It shows the power of incentives. The experimenter got two groups of people. To one group he said, that he wants to see, how much time normally people need for doing this task. To the second group he said, that people with best results will get money bonus. And the best person will get the biggest money bonus. It was incentives for second group.

The result showed, that second group was doing this task longer on 3 minutes, then first group. Money incentives didn’t help in that task. Such motivators, like ‘if you do this, then you get that’, work in some circumstances. But for a lot of tasks, they don't work or, often, they do harm.

A lot of firms nowadays use methods of entirely around these extrinsic motivators, around carrots and sticks. It was good solution for a lot of tasks of the last century, but in 21st century tasks, that mechanistic, reward-and-punishment approach doesn't work, often doesn't work, and often does harm.

The second experiment Glucksberg's was the same with the first, but it was only one difference. Thumbtacks were not in box, but near it. And it was the same: two groups, one - normal, second - with money incentives. In this experiment the second group won. Because when the thumbtacks not in the box – the task is easy.

Incentives work really well for those sorts of tasks, where there is a simple set of rules and a clear destination to go to. Now in 21st century are important tasks which needs the more right-brained creative, conceptual kinds of abilities. Because simple tasks can do computer or cheap labor.

Thirdly, I was interested of Dan Ariley and his experiment with MIT students. The experiment consists of different games and tasks. Students knew that, based on

the results of their productivity, they expect three levels of reward. Small, medium, large. Better result – higher reward. This experiment was repeated a lot of times in different countries. If the task was easy and just mechanical work, all was expected. Students showed better results for bigger regards. But it was surprise, when they started to do more difficult and creative tasks. As soon as the task presupposed the presence of the most elementary mental efforts, a larger premium led to worse performance.

In 21st century we need new methodology: intrinsic motivation. This method is based on desire to do things because they matter, because we like it, they're interesting, or part of something important.

The company Atlassian created specific FedEx days sometimes in a year. In that days they say to their engineers, "Go for the next 24 hours and work on anything you want, as long as it's not part of your regular job. Work on anything you want." Engineers create something very interesting, new and special in that days. And then present it in the end of the day. They have no borders. And it helps them to create something unique, that's why this days are very important and productive. One day of intense autonomy has produced a whole array of software fixes that might never have existed.

The name 'FedEx days' because you have to deliver something overnight.

This is a type of ROWE system. ROWE - Results Only Work Environment. In a ROWE people don't have schedules. They show up when they want. They don't have to be in the office at a certain time, or any time. They just have to get their work done. This method showed, that productivity goes up, worker engagement goes up, worker satisfaction goes up, turnover goes down. This system it works. Autonomy, mastery and purpose help people to work better.

The last example is Encarta. It is an electronic library from Microsoft. In 1990s the company was doing all incentives for workers, they had money for writing and correcting texts. But after some years appeared Wikipedia. It was really another model: 'Do it for fun. No one gets paid you money. Do it because you like to do it.' And people were doing it. They are doing it even now. Wikipedia won. Intrinsic motivation won. In 21st century it is more important, then method of rewards and punishments.

In conclusion I would like to say, that in 21st century methods of doing business have changed. Now the model of rewards and punishments doesn't work in a lot of situations. The tasks nowadays need creative mind, new ideas. Intrinsic motivation helps to improve best results, to create new products, to solve difficult tasks. Innovative management need to use new model of motivation and the results will be successful.